

EXHIBIT 1

INTRODUCTION

Respondent Michael Jackman is an Industrial Relations Counsel in the Legal Unit of the Division of Labor Standards Enforcement for the California Department of Industrial Relations (the “Department”). As an Industrial Relations Counsel, Respondent is a designated employee of the Department, as defined in section 82019, subdivision (c) of the Political Reform Act (the “Act”),¹ and in the Department’s conflict of interest code.

As required by the Department’s conflict of interest code, each designated employee of the Department must file an annual statement of economic interests by April 1st of each year that the official remains in office, unless April 1st falls on a Saturday, Sunday, or official holiday, in which case the filing deadline is extended to the next regular business day.² On the statement of economic interests, the designated employee must disclose his or her reportable economic interests held during the preceding calendar year.

In this matter, Respondent failed to timely file an annual statement of economic interests for three consecutive years, 2001 through 2003.

For the purposes of this Stipulation, Respondent’s violations are stated as follows:

COUNT 1: As a designated employee of the California Department of Industrial Relations, Michael Jackman failed to file a 2001 annual statement of economic interests by April 2, 2002, in violation of section 87300 of the Government Code.

COUNT 2: As a designated employee of the California Department of Industrial Relations, Michael Jackman failed to file a 2002 annual statement of economic interests by April 1, 2003, in violation of section 87300 of the Government Code.

COUNT 3: As a designated employee of the California Department of Industrial Relations, Michael Jackman failed to file a 2003 annual statement of economic interests by April 1, 2004, in violation of section 87300 of the Government Code.

SUMMARY OF THE LAW

¹ The Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code unless otherwise indicated. The regulations of the Fair Political Practices Commission (the “FPPC”) are contained in sections 18109 through 18997 of title 2 of the California Code of Regulations. All regulatory references are to title 2, division 6 of the California Code of Regulations, unless otherwise indicated.

² Regulation 18116.

An express purpose of the Act, as set forth in section 81002, subdivision (c), is to ensure that the assets and income of public officials, which may be materially affected by their official actions, be disclosed, so that conflicts of interest may be avoided.

In furtherance of this purpose, section 87300 requires every agency to adopt and promulgate a conflict of interest code. Section 87302, subdivision (a) provides that an agency's conflict of interest code must specifically designate the employees of the agency who are required to file statements of economic interests disclosing their reportable investments, business positions, interests in real property, and sources of income. Under section 82019, subdivision (c), and section 87302, subdivision (a), the persons who are to be designated in an agency's conflict of interest code are the officers, employees, members, and consultants of the agency, whose position with the agency entails making, or participating in making, governmental decisions that may have a reasonably foreseeable material effect on one or more of the individual's economic interests.

Section 87302, subdivision (b) provides that an agency's conflict of interest code must require every designated employee to file an annual statement of economic interests, for each year that the employee remains in office, disclosing his or her reportable economic interests held during the preceding calendar year. Regulation 18730, subdivision (b)(5)(C) provides that all employees designated under an agency's conflict of interests code shall file an annual statement of economic interests with the agency by April 1st of each year. However, under Regulation 18116, if April 1st falls on a Saturday, Sunday, or official holiday, the filing deadline is extended to the next regular business day.

Under section 87300, the requirements of an agency's conflict of interest code have the force of law, and any violation of those requirements is deemed a violation of the Act.

SUMMARY OF THE FACTS

Respondent has been a member of the Department of Industrial Relations since October 6, 1997, during which time he has held two positions with the Department: Deputy Labor Commissioner from October 6, 1997 to June 30, 1998; and Industrial Relations Counsel from July 1, 1998 to the present.

COUNT 1

Failure to Timely File a 2001 Annual Statement of Economic Interests

Respondent was an Industrial Relations Counsel from January 1, 2001 through December 31, 2001. As such, Respondent was a designated employee of the Department, and therefore required to file an annual statement of economic interests for the 2001 calendar year by April 2, 2002, since April 1st fell on a holiday that year.

Respondent failed to file a 2001 annual statement of economic interests by the April 2, 2002 due date, in violation of section 87300.

On August 6, 2002, Jeanne Lee, the filing officer for the Department, sent a memorandum to Respondent, advising him that his 2001 annual statement of economic interests was past due, and requesting that it be filed immediately.

On September 12, 2002, Ms. Lee sent a second memorandum to Respondent, advising him that his 2001 annual statement of economic interests remained past due, and requesting that it be filed within ten days. The memorandum further advised Respondent that that if the delinquent statement was not received within ten days, the matter would be referred to the FPPC's Enforcement Division.

In spite of those notices, Respondent failed to file a 2001 annual statement of economic interests, and the matter was then referred to the Enforcement Division on December 24, 2002.

On March 4, 5, and 6, 2003, Mary Ann Kvasager, the SEI Coordinator for the Enforcement Division, attempted to contact Respondent by telephone at his home and office. On each occasion, Ms. Kvasager left a telephone message for Respondent advising him that his 2001 annual statement of economic interests was past due, and instructing him to file the statement immediately.

On June 16, 2004, Respondent was served with a Report in Support of a Finding of Probable Cause. In conjunction with reaching a settlement of this matter, Respondent filed a 2001 annual statement of economic interests on August 13, 2004. No reportable interests were disclosed.

COUNT 2

Failure to Timely File a 2002 Annual Statement of Economic Interests

Respondent was an Industrial Relations Counsel from January 1, 2002 through December 31, 2002. As such, Respondent was a designated employee of the Department, and therefore required to file an annual statement of economic interests for the 2002 calendar year by April 1, 2003.

Respondent failed to file a 2002 annual statement by the April 1, 2003 due date, in violation of section 87300.

On April 11, 2003, Jeanne Lee, the filing officer for the Department, sent a memorandum to Respondent, advising him that his 2002 annual statement of economic interests was past due, and requesting that it be filed immediately.

On May 15, 2003, Ms. Lee sent a second memorandum to Respondent, advising him that his 2002 annual statement of economic interests remained past due, and requesting that it be filed immediately.

On June 16, 2004, Respondent was served with a Report in Support of a Finding of Probable Cause. In conjunction with reaching a settlement of this matter, Respondent filed a

2002 annual statement of economic interests on August 13, 2004. No reportable interests were disclosed.

COUNT 3

Failure to Timely File a 2003 Annual Statement of Economic Interests

Respondent was an Industrial Relations Counsel from January 1, 2003 through December 31, 2003. As such, Respondent was a designated employee of the Department, and therefore required to file an annual statement of economic interests for the 2003 calendar year by April 1, 2004.

Respondent failed to file a 2003 annual statement of economic interests by the April 1, 2004 due date, in violation of section 87300.

On June 16, 2004, Respondent was served with a Report in Support of a Finding of Probable Cause. In conjunction with reaching a settlement of this matter, Respondent filed a 2003 annual statement of economic interests on August 13, 2004. No reportable interests were disclosed.

CONCLUSION

This matter consists of three counts of violating section 87300, which carries a maximum administrative penalty of \$5,000 per violation. Because of Respondent's history of failing to timely file his statements of economic interests, this matter was handled outside of the SEI Expedited Procedures adopted by the Fair Political Practices Commission in July 1999.

Given the fact that Respondent had no reportable interests and was cooperative with the Enforcement Division in reaching a settlement of this matter, imposition of the agreed upon penalty of \$700 for each count, for a total administrative penalty of Two Thousand One Hundred Dollars (\$2,100), is appropriate.